

refers to the local area original formula allocation adjusted as appropriate by transfers between programs that have been approved in the local Workforce Investment Area Plan. The higher expenditure requirement for the Dislocated Worker program reflects the rate USDOL used in their analysis plus it reflects that the State is providing Rapid Response funds to each area for Training which DWD Issuance 18-01 should allow them to attain a higher overall expenditure rate. These rates are the historical expenditure levels required in Employment & Training programs prior to WIA.

Those WIBs who fail to meet the minimum expenditure levels would have the amount below the minimum expenditure level de-obligated from them. The areas that met or exceeded both their performance numbers and minimum expenditure levels in the prior year would be eligible to receive a portion of these funds. The performance evaluation for the purposes of re-obligation of these funds only shall be based on the fourth quarter performance data, so that the funds are available in a timely manner. The annual performance for all other purposes including the sanction policy shall continue to be based on the final data included in the annual report. If the total amount de-obligated was more than \$ 200,000 per program, the state would reallocate by a formula based on their prior year expenditures. If the amount de-obligated was less than \$ 200,000 per program, the state would have the discretion to make awards to the highest performing areas. This would prevent the policy forcing the state to make insignificant awards that do not justify the additional work required to accept the funds. A maximum re-obligation of 30% of an area's current year allocation will be applied to ensure that areas receiving additional funds can be expected to expend them during that year. All the substate allocated funds must be allocated to some region so, if the maximum 30% re-obligation would cause any funds to remain unobligated, then the amount to be de-obligated will be reduced proportionally until it equals the amount to be re-obligated.

- ***State policies for approving transfer authority (not to exceed 30%) between the Adult and Dislocated Worker funding streams at the local level;***

In accordance with WIA Title I Section 133 (b)(4) and the CFR Part 667.140 (a) and (b), a local WIB may transfer up to **30%** of a program year's formula funds allocated to the local Workforce Investment Area for a Program Year between the Adult Employment and Training Program and the Dislocated Worker Employment and Training Program with the approval of the Governor. The local WIB may not transfer funds to or from formula funds allocated to a local Workforce Investment Area under WIA Title I for the Youth Activity Program [20 CFR Part 667.140 (c)].

- ♦ Transfers between the Adult and Dislocated Worker Program must be identified in the local Workforce Investment Area Plan (modification or revision as determined necessary by the Governor) jointly submitted for the Governor's approval in accordance with DWD planning procedures issued.